ABSTRACT OF THE DISCLOSURE

The offerings of promotions to prospective customers are differentially allocated on the basis of customer segmentation, which is a mapping of the customers to a smaller number of segments that reflect commonalities of purchasing attributes. An optimization engine includes inputs of customer segment information, promotion information, market information, management information, and supply chain information. The various forms of information are utilized to provide promotion strategies on a promotion-by-promotion basis and a segment-by-segment basis. Preferably, the market information includes "null promotion data" for the individual customer segments. The null promotion data relates to conversion probabilities, revenues and costs for those occasions on which there are no promotions offered to the customers.